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COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, FEBRUARY 16, 2000

APPLICATION OF

BROADBAND OFFICE COMMUNICATIONS -
VIRGINIA, INC.

CASE NO. PUC990212

For certificates of public
convenience and necessity to
provide local exchange and
interexchange telecommunications
services

FINAL ORDER

On November 12, 1999, BroadBand Office Communications - Virginia, Inc. ("BroadBand" or "the Company"), filed an application for certificates of public convenience and necessity ("certificates") to provide local exchange and interexchange telecommunications services throughout the Commonwealth of Virginia. As part of its application, BroadBand requested a temporary waiver of § B 5 a of the Rules Governing the Offering of Competitive Local Exchange Telephone Service ("Local Rules") requiring audited financial statements to be filed with the application. In addition, BroadBand requested authority to price its interexchange services on a competitive basis pursuant to § 56-481.1 of the Code of Virginia.

By Order dated December 15, 1999, the Commission directed the Company to provide notice to the public of its application, directed the Commission Staff to conduct an investigation and file a Staff Report, and scheduled a public hearing to receive evidence relevant to BroadBand's application. On January 18, 2000, the Staff filed its report finding that BroadBand's application was in compliance with the Local Rules and the Rules Governing the Certification of Interexchange Carriers ("IXC Rules"), except that BroadBand did not provide audited financial statements.

Based upon its review of BroadBand's application and its requested waiver of Local Rule § B 5 a, the Staff determined it would be appropriate to grant to the Company an interexchange certificate and a local exchange certificate subject to two conditions: (1) any customer deposits collected by the Company shall be retained in an unaffiliated third-party escrow account until such time as the Staff or Commission determines it is no longer necessary; and (2) the Company shall provide audited financial statements of the parent, BroadBand Office, Inc., to the Division of Economics and Finance no later than one (1) year from the effective date of the Company's initial tariff.

A hearing was conducted on February 9, 2000.¹ BroadBand filed proof of publication and proof of service as required by the December 15, 1999, Scheduling Order. At the hearing, the application and accompanying attachments, and the Staff Report were entered into the record without objection.

Having considered the application and the Staff Report, the Commission finds that BroadBand should be granted certificates to provide local exchange and interexchange telecommunications services. We also find the Company's request for a waiver of § B 5 a of the Local Rules, as it relates to filing audited financial statements with the application, should be granted. Having considered § 56-481.1, the Commission further finds that BroadBand may price its interexchange services competitively. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) BroadBand Office Communications - Virginia, Inc., is hereby granted a certificate of public convenience and necessity, No. TT-86A, to provide interexchange services subject to the restrictions set forth in the Rules Governing the Certification of Interexchange Carriers, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.

¹ By Order of January 28, 2000, the Commission rescheduled the hearing on BroadBand's application from January 26, 2000. The Commission's offices were closed that day due to inclement weather.

(2) BroadBand Office Communications - Virginia, Inc., is hereby granted a certificate of public convenience and necessity, No. T-479, to provide local exchange telecommunications services subject to the restrictions set forth in the Rules Governing the Offering of Competitive Local Exchange Telephone Service, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.

(3) BroadBand shall provide tariffs to the Division of Communications which conform with all applicable Commission rules and regulations.

(4) BroadBand shall provide to the Division of Economics and Finance audited financial statements of its parent, BroadBand Office, Inc., no later than one (1) year from the effective date of BroadBand's initial tariff.

(5) Should BroadBand collect customer deposits, it shall establish and maintain an escrow account, held by a third-party, to hold such funds, and shall notify the Division of Economics and Finance Staff of the escrow arrangement. Any escrow arrangement established pursuant to this Order shall be maintained for such time as the Staff or Commission determines necessary.

(6) Pursuant to § 56-481.1 of the Code of Virginia, BroadBand may price its interexchange services competitively.

(7) There being nothing further to come before the Commission, this case shall be dismissed and the papers filed herein placed in the file for ended causes.